

COMMITTEE ON HEALTH

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1223

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 20-1691, Arizona Revised Statutes, is amended to read:

20-1691. Definitions

In this article, unless the context otherwise requires:

1. "Applicant" means:

(a) In the case of an individual long-term care insurance policy, the person who seeks to contract for such benefits.

(b) In the case of a group long-term care insurance policy, the proposed certificate holder.

2. "Certificate" means a certificate issued under a group long-term care insurance policy, which group policy has been delivered or issued for delivery in this state.

3. "Chronically ill individual" means any individual who has been certified by a licensed health care practitioner as meeting the definition of illness established by title III of the health insurance portability and accountability act of 1996 (P.L. 104-191).

4. "Director" means the director of the department of insurance.

5. "Group" means any of the following:

(a) One or more employers or labor organizations, or a trust or the trustees of a fund established by one or more employers or labor organizations for employees or former employees or members or former members of the labor organization.

(b) A professional, trade or occupational association for its members or former or retired members if the association is composed of individuals who were all actively engaged in the same profession, trade or occupation and the association has been maintained in good faith for purposes other than obtaining insurance.

1 (c) An association or a trust or the trustees of a fund established,
2 created or maintained for the benefit of members of one or more associations,
3 subject to compliance with the requirements of section 20-1691.04,
4 subsection A.

5 (d) A group other than that described in subdivision (a), (b) or (c)
6 of this paragraph if a policy issued to the group satisfies the criteria
7 under section 20-1691.04, subsection C.

8 6. "Group long-term care insurance" means a long-term care insurance
9 policy that is delivered or issued for delivery in this state to a group.

10 7. "Licensed health care practitioner" means any physician licensed
11 pursuant to title 32, chapter 13 or 17, any registered nurse or registered
12 nurse practitioner licensed pursuant to title 32, chapter 15 or any other
13 individual who meets the requirements prescribed by the United States
14 secretary of the treasury.

15 8. "Long-term care insurance" means an individual or group insurance
16 policy or rider issued by insurers, fraternal benefit societies, nonprofit
17 health, hospital and medical service corporations, prepaid health plans,
18 health care services organizations or any similar organization and
19 advertised, marketed, offered or designed to provide coverage for each
20 covered person on an expense-incurred, indemnity, prepaid or other basis for
21 one or more necessary or medically necessary diagnostic, preventive,
22 therapeutic, rehabilitative, maintenance, personal or custodial care services
23 provided in a setting other than an acute care unit of a hospital. Long-term
24 care insurance includes group and individual annuities, life insurance
25 policies or riders that provide or supplement long-term care insurance and
26 qualified long-term care insurance contracts. Long-term care insurance also
27 includes a policy or rider that provides for payment of benefits based on
28 cognitive impairment or loss of functional capacity. Long-term care
29 insurance does not include any insurance policy that is offered primarily to
30 provide basic medicare supplement coverage, basic hospital expense coverage,
31 basic medical and surgical expense coverage, major medical expense coverage,
32 disability income or related asset protection coverage, hospital confinement

1 indemnity coverage, accident only coverage, specified disease coverage,
2 specified accident coverage or limited benefit health coverage or riders to
3 the insurance policy or a life insurance policy that accelerates the death
4 benefit for terminal illness, medical conditions requiring extraordinary
5 medical intervention or permanent institutional confinement, that provides
6 the option of a lump sum payment for those benefits and in which the benefits
7 or the eligibility for the benefits is not conditioned on the receipt of
8 long-term care.

9 9. "LONG-TERM CARE PARTNERSHIP PROGRAM" MEANS A QUALIFIED STATE
10 LONG-TERM CARE INSURANCE PARTNERSHIP AS DEFINED IN SECTION 1917 (b) OF THE
11 SOCIAL SECURITY ACT (42 UNITED STATES CODE SECTION 1396P).

12 ~~9.~~ 10. "Maintenance or personal care services" means any care the
13 primary purpose of which is to provide assistance needed with any disability
14 that results in the individual being a chronically ill individual, including
15 the protection from threats to health and safety due to severe cognitive
16 impairment.

17 ~~10.~~ 11. "Policy" means an individual or group policy, contract,
18 subscriber agreement, rider or endorsement delivered or issued for delivery
19 in this state by an insurer, fraternal benefit society, nonprofit health,
20 hospital or medical service corporation, prepaid health plan or health care
21 services organization or any similar organization.

22 ~~11.~~ 12. "Preexisting condition" means a condition for which medical
23 advice or treatment was recommended by or received from a health care
24 services provider within six months before the effective date of coverage of
25 an insured person.

26 ~~12.~~ 13. "Qualified long-term care insurance contract" means:

27 (a) Any insurance policy that meets the requirements of section
28 7702B(b) of the internal revenue code of 1986, as amended.

29 (b) The portion of a life insurance policy that provides long-term care
30 insurance coverage by rider or as a part of the policy and that satisfies the
31 requirements of section 7702B(b) and (e) of the internal revenue code of
32 1986, as amended.

1 ~~13.~~ 14. "Qualified long-term care services" means necessary
2 diagnostic, preventive, therapeutic, curing, treating, mitigating and
3 rehabilitative services and maintenance ~~for~~ OR personal care services to
4 which the insured is eligible under a qualified long-term care insurance
5 contract and that are provided pursuant to a plan of care prescribed by a
6 licensed health care practitioner.

7 ~~14.~~ 15. "Severe cognitive impairment" means an impairment determined
8 by a licensed health care practitioner as meeting the definition of an
9 impairment as established by title III of the health insurance portability
10 and accountability act of 1996 (P.L. 104-191).

11 Sec. 2. Section 20-1691.03, Arizona Revised Statutes, is amended to
12 read:

13 20-1691.03. Limitations of long-term care insurance policies

14 A. No insurer may cancel, fail to renew or otherwise terminate a
15 long-term care insurance policy solely on the grounds of the age or the
16 deterioration of the mental or physical health of the insured individual or
17 certificate holder.

18 B. No long-term care insurance policy may contain a provision
19 establishing any new waiting period if existing coverage is converted to or
20 replaced by a new or other form within the same company, except with respect
21 to an increase in benefits voluntarily selected by the insured individual or
22 group policyholder.

23 C. A long-term care insurance policy shall provide coverage for at
24 least twenty-four consecutive months for each covered person.

25 D. No preexisting condition limitation period in a long-term care
26 insurance policy or certificate may exceed the following:

27 1. If not approved under paragraph ~~3~~ 2, six months after the
28 effective date of coverage of an insured ~~who is sixty five years of age or~~
29 ~~older on the effective date of coverage~~ FOR WHOM MEDICAL ADVICE OR TREATMENT
30 WAS RECOMMENDED BY, OR RECEIVED FROM, A HEALTH CARE SERVICES PROVIDER.

1 ~~2. Twenty-four months after the effective date of coverage of an~~
2 ~~insured who is under sixty-five years of age on the effective date of~~
3 ~~coverage.~~

4 ~~3.~~ 2. A period of time set by the director after the effective date
5 of coverage of an insured who is a member of a designated group for which the
6 director has found that a different limitation period is justified because
7 the group is specially limited by age, group categories or other specific
8 policy provisions and that the different limitation period will be a benefit
9 to the certificate holders.

10 E. No long-term care insurance policy or certificate may use a
11 definition of preexisting condition which is more restrictive than the
12 definition prescribed in this article.

13 F. A long-term care insurance policy shall not exclude or use waivers
14 or riders of any kind to exclude, limit or reduce coverage or benefits for
15 specifically named or described preexisting diseases or physical conditions
16 beyond the periods allowed under subsection D.

17 G. The definition of preexisting condition does not prohibit an
18 insurer from using an application form designed to elicit the complete health
19 history of an applicant and, on the basis of the answers on that application,
20 from underwriting in accordance with that insurer's established underwriting
21 standards.

22 H. No long-term care insurance policy or certificate issued on or
23 after July 1, 1990, may provide coverage for skilled nursing care only or
24 provide significantly more coverage for skilled care in a facility than
25 coverage for lower levels of care, or coverage that conditions eligibility
26 for benefits for levels of care on the receipt of higher levels of care. In
27 evaluating the requirements of this subsection, the director shall consider
28 the amount of coverage provided based on aggregate days of care covered for
29 lower levels of care when compared to days of care covered for skilled care.

1 I. A LONG-TERM CARE INSURANCE POLICY OR CERTIFICATE, OTHER THAN A
2 POLICY OR CERTIFICATE THAT IS ISSUED TO A GROUP, MAY NOT EXCLUDE COVERAGE FOR
3 A LOSS OR CONFINEMENT THAT IS THE RESULT OF A PREEXISTING CONDITION UNLESS
4 THE LOSS OR CONFINEMENT BEGINS WITHIN SIX MONTHS FOLLOWING THE EFFECTIVE DATE
5 OF COVERAGE OF AN INSURED PERSON.

6 Sec. 3. Title 20, chapter 6, article 15, Arizona Revised Statutes, is
7 amended by adding section 20-1691.12, to read:

8 20-1691.12. Insurance producer training course requirements

9 A. AN INDIVIDUAL MAY NOT SELL, SOLICIT OR NEGOTIATE LONG-TERM CARE
10 INSURANCE UNLESS THE INDIVIDUAL:

11 1. IS LICENSED AS AN INSURANCE PRODUCER FOR ACCIDENT AND HEALTH OR
12 SICKNESS.

13 2. HAS COMPLETED EIGHT HOURS OF INITIAL LONG-TERM CARE TRAINING.

14 3. HAS COMPLETED FOUR HOURS OF LONG-TERM CARE TRAINING IN EACH
15 TWO-YEAR PERIOD SUCCEEDING JULY 1, 2009, AFTER THE TWO-YEAR PERIOD WITHIN
16 WHICH THE INDIVIDUAL COMPLETED THE INITIAL LONG-TERM CARE TRAINING.

17 B. AN INDIVIDUAL MAY SATISFY THE TRAINING REQUIREMENT PRESCRIBED IN
18 SUBSECTION A OF THIS SECTION ONLY BY COMPLETING AN APPROVED CONTINUING
19 EDUCATION COURSE THAT IS OFFERED BY AN APPROVED PROVIDER PURSUANT TO CHAPTER
20 18 OF THIS TITLE. THE COMPLETION OF SUCH A COURSE MAY ALSO SATISFY THE
21 INSURANCE CONTINUING EDUCATION REQUIREMENT PRESCRIBED BY CHAPTER 18 OF THIS
22 TITLE.

23 C. THE TRAINING COURSES REQUIRED BY SUBSECTION A OF THIS SECTION
24 CONSIST OF TOPICS THAT ARE RELATED TO LONG-TERM CARE INSURANCE, LONG-TERM
25 CARE SERVICES AND, IF APPLICABLE, QUALIFIED STATE LONG-TERM CARE INSURANCE
26 PARTNERSHIP PROGRAMS INCLUDING, AS CONSISTENT WITH THE MINIMUM STANDARDS THAT
27 APPLY TO APPROVED CONTINUING EDUCATION COURSES DEVELOPED BY THE CONTINUING
28 EDUCATION REVIEW COMMITTEE PURSUANT TO SECTION 20-2905:

1 1. STATE AND FEDERAL RULES AND REQUIREMENTS AND THE RELATIONSHIP
2 BETWEEN QUALIFIED STATE LONG-TERM CARE INSURANCE PARTNERSHIP PROGRAMS AND
3 OTHER PUBLIC AND PRIVATE COVERAGE OF LONG-TERM CARE SERVICES, INCLUDING
4 MEDICAID.

5 2. AVAILABLE LONG-TERM CARE SERVICES AND LONG-TERM CARE SERVICE
6 PROVIDERS.

7 3. CHANGES OR IMPROVEMENTS IN LONG-TERM CARE SERVICES OR LONG-TERM
8 CARE SERVICE PROVIDERS.

9 4. ALTERNATIVES TO THE PURCHASE OF PRIVATE LONG-TERM CARE INSURANCE.

10 5. THE EFFECT OF INFLATION ON BENEFITS AND THE IMPORTANCE OF INFLATION
11 PROTECTION.

12 6. CONSUMER SUITABILITY STANDARDS AND GUIDELINES.

13 D. AN INSURER THAT IS SUBJECT TO THIS ARTICLE SHALL OBTAIN
14 VERIFICATION THAT AN INSURANCE PRODUCER RECEIVED TRAINING THAT IS REQUIRED BY
15 SUBSECTION A OF THIS SECTION BEFORE THE INSURANCE PRODUCER IS PERMITTED TO
16 SELL, SOLICIT OR NEGOTIATE THE INSURER'S LONG-TERM CARE PRODUCTS.

17 E. AN INSURER THAT IS SUBJECT TO THIS ARTICLE SHALL MAINTAIN AND MAKE
18 AVAILABLE TO THE DIRECTOR ON REQUEST SUFFICIENT RECORDS WITH RESPECT TO THE
19 TRAINING OF INSURANCE PRODUCERS WHO SELL, SOLICIT OR NEGOTIATE THE INSURER'S
20 LONG-TERM CARE INSURANCE PRODUCTS TO ALLOW THE DEPARTMENT TO PROVIDE
21 ASSURANCE TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION
22 THAT THE INSURANCE PRODUCERS HAVE RECEIVED THE TRAINING PRESCRIBED BY THIS
23 SECTION.

24 F. A NONRESIDENT INSURANCE PRODUCER'S SATISFACTION OF A SUBSTANTIALLY
25 SIMILAR LONG-TERM CARE TRAINING REQUIREMENT OF ANY OTHER STATE SATISFIES THE
26 NONRESIDENT INSURANCE PRODUCER'S LONG-TERM CARE TRAINING REQUIREMENT AS
27 PRESCRIBED BY THIS SECTION.

28 Sec. 4. Applicability

29 Sections 20-1691 and 20-1691.03, Arizona Revised Statutes, as amended
30 by this act, apply to contracts, policies and evidences of coverage that are
31 issued from and after December 31, 2008.

1 Sec. 5. Effective date
2 Section 20-1691.12, Arizona Revised Statutes, as added by this act, is
3 effective from and after June 30, 2009."
4 Amend title to conform

and, as so amended, it do pass

BOB STUMP
Chairman

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H:jjb

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